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July 16, 2009

VIA E-MAIL

Mr. Jim Ward
Washington Utilities and Transportation Commission
1300 South Evergreen Park Drive SW
Olympia, WA 98504-7250

Re: Docket No. UW-091051 - Burton Water Company, Inc.

Dear Mr. Ward:

This letter will respond to your Data Request 3.

1. During the last rate case, staff allowed a 40' water tank, cost of \$150,000, in 'other paid in capital'. The cost of the tank on the current depreciation schedule is \$136,680. I also see on the CIAC schedule a water tank for \$24,873. What was the final cost of the tank and please provide copies of receipts to validate this amount. Additionally, please explain how this final tank cost is recorded on the company books.

RESPONSE: Please see the attached. Total cost of the water tank was \$227,060. Of this amount, the investors supplied \$136,680. The cost of the water tank is recorded in the Company books to match the asset list. The CIAC amount is included in the CIAC assets amount of \$365,945.56. The investor-supplied amount of \$136,680 is included in Utility Plant-Investor Owned of \$385,262.42.

2. In review of the restating adjustments filed for wages and payroll tax, why was no adjustment made for benefits? Please calculate and submit an adjustment for benefits.

RESPONSE: The Company is not aware of why benefits should be adjusted. This issue will be discussed further.

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3. Please provide copies of the Camp Burton transmission plant upgrade costs and what was the source of money to pay for this capital improvement?

RESPONSE: Please see the attached. This project was paid for through CIAC.

4. In review of the company's adjustment filed for surcharge removal, why was no adjustment made for excise tax removal? Please calculate and submit an adjustment for excise tax.

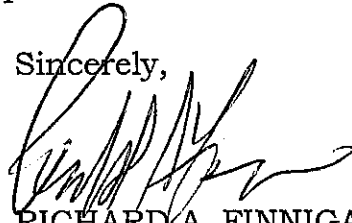
RESPONSE: The total of the surcharge collections were reduced for the excise tax. Total surcharge receipts including that portion for the excise tax was \$24,900. Applying the excise tax at the rate of .05029, a tax is produced of \$1,252.22. This produced the amount that was assigned to revenue of \$23,647.78. The amount of the tax that was paid by the surcharge revenue was not included in the per books amount, so the adjustment for the excise tax has already been made.

5. In review of the company's last case, property tax was stated as \$3,083. The current expense is stated as \$4,563. Please provide backup cost receipts to show how this amount changed by \$1,480 in one year.

RESPONSE: Please see the attached. The difference is not due to a change. In the last case, an adjustment was made that the Company did not understand or agree with. The amounts reflected in the current expense are the amounts actually paid.

Please let me know if you have any questions.

Sincerely,



RICHARD A. FINNIGAN

RAF/km
Enclosures

cc: Jim Garrison (via e-mail)
Evan Simmons (via e-mail)
Barb O'Block (via e-mail)